

Labor

The President's 2007 Budget continues the successful pro-growth policies that have encouraged robust economic growth and job creation. A strong economy, together with spending restraint, is critical to reducing the deficit. The Budget builds on last year's successful spending restraint by again holding the growth of overall discretionary spending below inflation, proposing to reduce non-security discretionary spending below the previous year's level, and calling for the elimination or reduction of programs not getting results or not fulfilling essential priorities. Like last year, the budget proposes savings and reforms to mandatory spending programs, whose unsustainable growth poses the real long-term danger to our fiscal health.

The President's priorities for the Department of Labor (DOL) include safeguarding workers' pensions; helping job seekers gain the skills necessary to compete in the 21st Century; reforming programs to give workers more choice and control over their job training and career development; protecting workers through strong and effective enforcement of labor laws; improving workers' access to health benefits, and managing for results. The 2007 Budget reflects these priorities and continues the Administration's commitment to workers and their families.

The President's FY 2007 Budget:

- Protects workers' pensions and promotes the security of workers' retirement savings;
- Gives workers more control over their own career planning, skills training, and reemployment through innovative, flexible Career Advancement Accounts;
- Continues the commitment to help workers develop the skills necessary to compete in the 21st Century through the High Growth Job Training and Community-Based Job Training Grant Initiatives;
- Reinforces critical worker protections, including worker safety and health; and
- Reduces improper Unemployment Insurance benefit payments and reduces Unemployment Insurance tax evasion.

The FY 2007 Budget also includes:

Job Training

- \$3.4 billion for a consolidated State grant that would eliminate program duplication, increase State flexibility, cut red tape, and limit overhead so that more resources can go directly to worker training. Most of the State grant would finance Career Advancement Accounts (CAAs), self-managed accounts of up to \$3,000 for training and education.
- Career Advancement Accounts would support training opportunities for 800,000 workers annually. These accounts will empower individuals by significantly increasing workers' choices in obtaining the job training and education they need to compete in the 21st Century economy. Workers will have the resources to take the longer-term training that leads to higher paying jobs.

- \$125 million for the High Growth Job Training Initiative to prepare workers for the jobs being created in high growth industries. These funds will train an estimated 50,000 U.S. workers and help meet employers' demands for qualified, skilled employees.
- \$150 million, \$26 million (or 21 percent) more than 2006 funding, to train an estimated 60,000 workers through Community-Based Job Training Grants. These grants continue the President's commitment to community and technical colleges as a powerful economic development tool.

Protecting Workers

- \$1.4 billion for DOL to carry out its responsibilities under more than 180 worker protection laws, including enforcement of labor laws, improving worker safety, and compliance assistance.

Ensuring a Safe and Healthy Workplace

- \$772 million for the Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA) to strengthen workplace safety and health through strong enforcement and innovative partnerships and cooperative agreements with employers. These efforts will be complemented by outreach, education, and compliance assistance.
- The Budget again proposes to increase the maximum penalty for egregious violations of the Mine Safety Act from \$60,000 to \$220,000.
- \$1 million to purchase new, cost-effective mine rescue technology to expedite mine safety operations. This includes new tracking systems and communication devices to help locate and save trapped miners.

Ensuring Union Members' Rights

- \$52 million, \$5.7 million (or 12 percent) more than 2006 funding, to assist the Office of Labor Management Standards (OLMS) in ensuring union democracy, financial integrity and transparency through a program of union audits, public disclosure reporting, and compliance assistance.

Safeguarding Pensions and Benefits

- \$144 million for the Employee Benefits Security Administration (EBSA), which works to protect the integrity of pensions, health plans, and other employee benefits for more than 150 million people.
- \$14 million for a new pension reporting system to increase the accuracy and timeliness of pension plan information for retirees and other pension plan participants.

Assisting Veterans

- \$225 million for the Veterans' Employment and Training Service to support employment services to veterans, help homeless veterans reintegrate into the workforce, provide transition assistance to returning service men and women to help them succeed in the civilian workforce, and raise employer awareness of their responsibilities to protect the jobs of military members while they are away in service to our Nation.

Supporting Compassion

- \$20 million for the Department of Labor's role in the Prisoner Re-entry Initiative, which teams Federal agencies with faith-based and community organizations to help recently released prisoners make a successful transition back to society and long-term employment. The Budget

- also funds a total of \$40 million for the Departments of Housing and Urban Development and Justice.
- A proposal to strengthen enforcement and protect families by increasing the amount of civil monetary penalties that can be assessed to employers who willfully violate child labor laws.

Reducing Improper Unemployment Insurance Benefits Payments

- \$50 million to help States reduce improper UI payments through continued eligibility reviews at One-Stop Centers and an identity theft initiative.
- The Budget proposes legislation to boost the States' ability to recover benefit overpayments and deter UI tax evasion schemes. Legislation will be sought for a variety of tools, including allowing the IRS to collect delinquent UI overpayments and employer taxes by garnishing Federal tax refunds.